

## CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Natural Resources
Priority Number:	2 of 18
Change Request Title:	CWCB Office of Water Conservation and Drought Planning Staff

### SELECT ONE (click on box):

- ☒ Decision Item FY 08-09
- ☐ Base Reduction Item FY 08-09
- ☐ Supplemental Request FY 07-08
- ☐ Budget Request Amendment FY 08-09

### SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☒ Not a Supplemental or Budget Request Amendment
- ☐ An emergency
- ☐ A technical error which has a substantial effect on the operation of the program
- ☐ New data resulting in substantial changes in funding needs
- ☐ Unforeseen contingency such as a significant workload change

### Short Summary of Request:

The Colorado Water Conservation Board (CWCB) is requesting on-going Cash Funds Exempt (CFE) funding in the amount of \$96,848 from the CWCB Construction Fund for 1.0 FTE Physical Science Researcher/Scientist III (PSRS III) to coordinate all drought planning, mitigation, and response activities for the Office of Water Conservation and Drought Planning (OWCDP). The CWCB is also requesting an additional 0.5 FTE to expand the work performed by an existing Program Assistant I to allow the CWCB to meet the increasing demand for financial assistance from the recently expanded Water Efficiency Grant Program. This FTE will also perform education and outreach. The proposed funding source for the additional 0.5 FTE will be from existing OWCDP funds.

In addition, this decision item includes a request for funds for leased space for 1.0 FTE (PSRS III), a state-leased four-wheel drive (4WD) vehicle to provide transportation for current and new staff to complete statutorily required duties, and leased space for a parking space for the new state-leased vehicle. Funding for the leased space and state-leased vehicle will be from the CWCB Construction Fund.

### Background and Appropriation History:

**FTE**

The Water Conservation Act of 1991, under HB91-1154, created the Office of Water Conservation (OWC) to be housed in the CWCB. The OWC's primary charge was to focus on the promotion of urban water conservation education and implementation and to provide technical assistance to water providers performing water conservation planning.

In 2004, on the heels of the worst drought on record for much of Colorado, HB04-1365 changed the name of the OWC to the Office of Water Conservation & Drought Planning (OWCDP) and added the additional critical roles of providing technical assistance statewide in drought planning & mitigation efforts and a role for providing agricultural conservation technical assistance. The bill provided funding in the form of grants to water providers around the State for water conservation & drought mitigation planning and implementation projects. Over 85 large and mid-size water utilities became eligible for the grant funds. The bill also required the participation of the OWCDP as the chairperson on any state water availability task force established to monitor, forecast, mitigate, and prepare for drought. However, even with this significantly expanded mission, no additional staff resources were allocated to perform these time intensive functions. HB04-1365 also created a requirement that any covered entity (a public or private water entity providing, on a retail basis, 2000 acre feet or more of water annually) seeking financial assistance from either the CWCB or the Colorado Water Resources and Power Development Authority, must have an approved water conservation plan on file with the CWCB prior to loan proceeds being released.

In light of the drought of 2000-2002, OWCDP staff has had to prioritize and incorporate the increasingly critical need for a strong statewide drought planning initiative, which has historically included its leadership role on the Governor's Water Availability Task Force. A more comprehensive strategy needs to be developed and implemented. This strategy will include such measures as a set of comprehensive technical tools and programs to promote and facilitate water provider efforts in drought mitigation planning. In addition, the preliminary FEMA required revision of Colorado's Drought Mitigation and Response Plan, as well as subsequent updates, will support a statewide drought planning initiative. The OWCDP is heavily engaged in increasing water resource planning issues arising from the need for the State to take a leadership role in developing water management strategies necessary to adapt to a changing climate, potentially resulting in more severe

droughts. It is providing a facilitating and coordinating role to assess historical, current, and projected climate trends and is relating these to potential changes in water supply, in order to prepare for and mitigate the impacts from climate change.

In addition, the OWCDP will represent Colorado in a cooperative partnership with other western states in the Western Governors Association led project – the National Integrated Drought Information System (NIDIS), a drought early warning system. This system seeks to improve and expand the compilation of reliable data on the various indicators of droughts, from both the physical/hydrological data to the socio-economic and environmental impacts data (such as agriculture losses and wildfire impacts). The system will also integrate and interpret the data with easily accessible and understandable tools, which provide timely and useful information to decision-makers and the general public. The opportunity for Colorado to take a leadership role in this project as part of the larger Colorado River Basin pilot project is highly likely, and therefore will require the participation of the OWCDP. The anticipated benefit for participating in this project is in the resulting work product necessary to undertake a more meaningful and comprehensive effort to update the Colorado Drought Mitigation and Response Plan, a FEMA-required component of the State's Natural Hazard Mitigation Plan.

In 2005, under HB05-1254, the Water Efficiency Grant Program was created and funded to provide monies to water providers for water conservation implementation and public education & outreach activities. In both 2004 and 2005, when grant programs were created and administered by the OWCDP, no additional staff resources were allocated to assist in administering the new mandate and new grant program.

In 2007, under SB07-008, the Water Efficiency Grant Program was expanded to include substantially more available grant money, provided an expanded timeframe in which the money is available (2012), and made opportunities available for more local and state governmental entities to access and utilize the grant funds. SB07-008 also allowed for grant funds to be used for the creation of an FTE within the OWCDP to provide statewide water conservation technical assistance.

With the HB04-1365 requirement linking water conservation planning to two significant State water resource funding programs, the expansion of the Water Efficiency Grant Program and additional grant funds, the OWCDP fully expects there to be an increase in the number of grant applications submitted to the State. Prior to the expansion, there was a limited amount of money available to entities for planning (\$75K/annually), which limited the number of grant funded plans. Without an approved plan, entities could not seek additional funds for implementation. The total grant program amount funded under HB05-1254 and SB07-008 (\$3 million to \$5 million) is available for planning activities. More plans will be developed and more requests for implementation will follow thus increasing the overall number of applications. The OWCDP, with its recent increased efforts to promote and market the grant program statewide, is already expecting at least a dozen grant applications around July 1 when funds are available again. This type of increased interest in the grant program can not be effectively and efficiently addressed long-term by a half-time grants coordinator.

The OWCDP is also responsible for ongoing programs targeted at water resource conservation public education and outreach. It supports and coordinates a number of efforts regionally and statewide and is engaged in an effort to develop and implement a statewide messaging and education campaign geared towards Colorado citizens in an effort to promote and support a water conservation ethic around the State as well as an appreciated value for scarce water resources. The OWCDP continues to develop educational tools and programs to share with water providers and entities engaged in water conservation education. The OWCDP is hoping to increasingly utilize its website as a central repository for the dissemination of water conservation and drought mitigation related information, both for the water conservation professional as well as the average citizen, including the K-12 demographic.

Current staff is working at maximum efficiency to address the increasing needs of water providers and Colorado citizens for water conservation and drought mitigation planning and implementation assistance as well as public education & outreach. Up until July 2007, the OWCDP was operating with the staffing levels (2.5 FTEs) that had been in place since 1991. While SB07-008 authorized an additional FTE, this position will be solely focused on provided technical water conservation assistance statewide. At current

staffing levels of 3.5 FTEs, the OWCDP is still unable to fully and completely meet all the mandates, particularly those pertaining to drought mitigation, that the OWC established in 1991, much less the expanded mission in the subsequent legislation of 2004, 2005, and 2007.

The SB07-008 appropriated FTE for the CWCB's Office of Water Conservation & Drought Planning to perform duties associated with water conservation technical assistance. The FTE will meet the following needs:

- To provide more one-on-one technical assistance for water providers particularly those small entities with limited resources.
- Review and approve all water conservation plans submitted to the State for approval.
- To help develop more advanced water conservation planning technical tools including measurement techniques & Industrial, Commercial, & Institutional programs.
- To help in developing a comprehensive Water Conservation & Economics Model to help water providers to predict the operational & financial impact of a water conservation measure.
- To help in the possible development of a Water Conservation Decision Support System component.
- To develop a statewide water conservation database to track a water provider's sector use, implemented water conservation measures, & resulting savings.
- To provide more coordination with other western states on water conservation initiatives.
- To provide the water conservation technical platform for the HB05-1177 Roundtable Process and the ongoing Statewide Water Supply Initiative process.

#### **Leased Space and Vehicle**

Both the Leased Space and Vehicle Lease line items are a part of the DNR Executive Director's Office section of the Long Bill. The Executive Director's Office allocates the funds to each division in DNR to cover their Leased Space and Vehicle Lease costs.

The CWCB's offices are located in two buildings in the downtown Denver area which accommodate the current staff of 43.2 FTE. The main office is located in the Centennial Building at 1313 Sherman and the other office is at 1580 Logan Street. The main location in the Centennial Building does not have enough space to house all employees in one location; therefore, two sections were moved to the Logan location in 2002. These sections are the Water Supply Planning and Finance Section, which has 6.0 FTE, and the Water Information Group of 5.0 FTE. Since the CWCB does not have sufficient office space to accommodate new FTE, leased space funding for additional office space is included in this request to provide work space for the new staff at the preferred Logan Street location.

In addition to working in the CWCB office, several CWCB staff members work in the field. Because of this, the division's employees are required to travel year-round in all types of weather and terrain to locations throughout the state to attend meetings and perform statutorily required and federally mandated duties that are relevant to the agency's mission.

State leased vehicles are essential to the operations of the CWCB. Currently, the CWCB has only three assigned state vehicles, which have been in very high demand by the CWCB staff, to use as transportation to accomplish statutory responsibilities. The three permanent vehicles assigned to the agency are: 1) Chevy Trail Blazer, 2) Ford Explorer, and 3) Dodge Durango. The Chevy Trail Blazer is permanently assigned to the Water Supply Planning and Finance Section Construction Project Manager, who inspects all construction projects funded by the CWCB Construction Fund, leaving only two vehicles for the remaining 42.2 staff members to share.

Furthermore, the CWCB is requesting additional FTE for FY09 to complete duties that further the mission and goals of the agency. In order to do so and to comply with statutes, the current and new staff members will need a State Vehicle to attend meetings, perform field work, and complete assigned duties. Because of the increase in FTE, there will be a greater need for the use of an additional state vehicle.

General Description of Request:

As can be seen from the extensive legislative history, the development of the program to better prepare Colorado for our water supply future has been an ongoing and a recently accelerated process. Many of the activities and roles, with which the OWCDP has been tasked, have relied heavily on outside technical and administrative contractor support, which over time is not cost effective. In order to minimize costs associated with this approach to accomplishing its robust statutory mission, the CWCB is requesting these additional staff resources. Given the magnitude and complexity of the work and incrementally greater program responsibilities, it is apparent that the workload can not be accomplished with the existing 3.5 FTEs. To address these needs, 1.0 new FTE and the addition of 0.5 FTE (to an existing 0.5 FTE position) are requested as described below.

The new FTE (Physical Science Researcher/Scientist III) position would coordinate all drought planning, mitigation, and response activities for the OWCDP. Duties would include but not be limited to:

- Providing drought planning assistance to local and state governmental entities, as well as water providers statewide.
- Provide drought technical assistance by developing drought planning technical tools.
- Continue the State's efforts to monitor the status of drought preparedness and vulnerability through frequent and consistent efforts, such as the Colorado Drought and Water Supply Assessment, to coordinate with local and regional water providers.
- Participate in the National Integrated Drought Information System as Colorado's State representative.
- Interact and coordinate with the State Climatologist, NOAA, and other state and federal agencies carrying out drought conditions monitoring, climate forecasting, and drought research.
- Participate in efforts to develop a State Drought Decision Support System.
- Coordinate the Phase II revision of the Colorado Drought Mitigation & Response Plan.
- Provide support to the Water Availability Task Force.

- Develop and conduct drought planning and response education & outreach initiatives.
- Participate in water adaptation projects and initiatives resulting from a statewide climate change action plan
- Coordinate with other western states on drought planning and mitigation activities

The increasing reliance by water providers around the State in the Water Efficiency Grant Program as well as efforts by water providers to comply with planning requirements in order to access additional State funds, can not be effectively and efficiently addressed long-term by a 0.5 FTE Grants Coordinator. The proposed additional 0.5 FTE for the CWCB's Office of Water Conservation & Drought Planning will increase the current 0.5 FTE Program Assistant I to full-time status. It will allow the OWCDP to meet the increasing demand for water conservation planning and implementation, as well as education and outreach grant-funded projects. The resulting increase in demand will come from more staff time being spent on promoting the State's technical and financial assistance programs. The OWCDP anticipates that much of its focus and resources will be on and applied to the grant program and related programs.

The 0.5 FTE Program Assistant I position will continue assisting with several important program activities including:

- Assist in the receipt of grant applications, information management, and administrative tracking of activities and projects associated with the Water Efficiency Grant Program created under HB05-1254 and amended by SB07-008;
- Provide support role to water conservation and drought mitigation planning and implementation activities of the OWCDP including participation in and preparation for workshops, meetings, and conferences;
- Assist in the updating of materials for websites regarding the Water Efficiency Grant Program and other OWCDP and CWCB related programs; and
- Assist with public education and outreach to ensure broad information exchange between the OWCDP and Colorado water providers and citizens, including statewide messaging project efforts.



Associated with this submission is a request for additional leased space for 1.0 FTE (Physical Science Researcher/Scientist III) and a request for a vehicle. Space for the additional 0.5 FTE (Program Assistant I) is not being requested since a CWCB staff member currently occupies the original 0.5 FTE portion of the position and therefore, the employee already has work space.

Current space, at the CWCB Sherman Street and Logan Street offices, cannot accommodate new FTEs. In submitting this decision item request, the CWCB is being pro-active in avoiding a leased space crisis that would follow the approval of FTE requests. The preferred location for the additional space is at the Logan Street location, where two of the CWCB sections' staff members are housed currently.

In addition, the CWCB is requesting a state vehicle. State leased vehicles are essential to the operations of the CWCB. The two state vehicles assigned to the CWCB are in high demand and accrued over 42,669 miles during FY06. The new vehicle will be used by new FTE and other FTE to attend meetings all around the state at varying times throughout the year. In addition, the duties will require that other CWCB employees be present at various locations for site visits, which are often in remote locations. Similar to current staff, duties will have employees working in the field as well as in the office.

The CWCB has considered using the State Awarded Vendor (Avis) to rent 4WD vehicles. Not only is it more inconvenient for staff members, but it is also more costly. (See the cost-benefit table for the calculations.)

To provide a safe location for the new state-leased vehicle, for FY 08-09, the CWCB is requesting additional funds in the amount of \$420 (for 4 months) in leased space funds for a parking space. The cost would increase to \$1,260 per year in FY09-10. The vehicle will be parked at the 14<sup>th</sup> and Lincoln parking garage. It is the closest location to the CWCB office at the Sherman Street location and the garage would provide a secure parking place for a state vehicle.

Consequences if Not Funded:

**FTE**

Without the new 1.0 FTE, the original legislation, as outlined above, will continue not to be effectively and efficiently implemented. Currently, the State has had to rely on the technical assistance from contractors to undertake activities that would be more cost-effectively accomplished within the OWCDP utilizing State staff resources. Furthermore, the CWCB is currently only able to implement a small portion of the Section's statutory mission related to drought mitigation planning technical assistance. Adding a new FTE is the most cost-effective way for the CWCB to implement its statutory requirements related to drought planning more fully.

Projects undertaken by the OWCDP to accomplish its mandates include such activities as the Drought & Water Supply Assessment, recent update to the Colorado Drought Mitigation & Response Plan, and technical evaluations of water conservation plans submitted by water providers to the State for approval. On average, expenses associated with contractor labor to accomplish these tasks has been incurred at the hourly rate of approximately \$120/hr and have resulted in expenditures of state resources in a manner that is not cost-effective. In contrast, assuming an FTE equals 1,800 hours of actual work, the CWCB roughly calculates that the requested FTE will cost \$41.50 per hour, which is roughly one-third of the contractor's rate.

Finally, it is imperative the State ensure that the grant monies from the Water Efficiency Grant Program are properly awarded, administered and documented. Increasing demands for grant program funds, and the resulting increase in funding awards being made, require a vigorous accounting process. Without the additional 0.5 FTE, adequate oversight of financial and technical decisions may not be possible. It is likely that a new grant program will be audited in the future. Having full documentation and effective program oversight will be essential to successful audit review.

#### **Leased Space and Vehicle**

Not funding the decision item request does not allow for the effective and efficient use of funds for the operations of the division in trying to achieve the DNR objectives and *program goals and objectives* as outlined in the CWCB strategic plan, such as:

- To conserve the waters of the State for wise and efficient beneficial uses;

- Develop waters of the State to preserve the natural environment to a reasonable degree and fully utilize State compact entitlements;
- Protect the waters of the State for maximum beneficial use without waste; and
- Manage the waters of the State in situations of extreme weather conditions – both for flood and droughts.

If the request for additional leased space is not approved, there will not be a sufficient area nor enough places for the new FTE to sit and complete work. The CWCB offices in the Sherman Street and Logan Street buildings are at maximum capacity. All of the offices and cubicles, at those two locations, are filled with existing employees. The new employees will need office space to complete assignments while in the office.

Since the Division's employees are required to travel year-round to locations throughout the state to attend meetings and perform federally mandated and statutorily required duties, the following consequences may occur if staff members do not have reliable transportation to travel in the state:

1. Flood Protection Section:

Since the Section is responsible for federally mandated site visits related to flood prevention and if these visits are not performed, communities would be in jeopardy of losing their eligibility for and status with the federal government to participate in the National Flood Insurance program. This would lead to safety issues for Colorado citizens, flooding problems would not be addressed, and the division would lose federal funding because community project audits would not be performed.

In addition, four of the eight Flood Protection objectives would be highly affected by a vehicle shortage. They are: hazard identification, community planning, project implementation, and federal/state/local coordination.

2. Compact Section:

Staff members in the Compact Section attend Cooperative Agreement meetings. Not attending the meetings could negatively affect current and future use of the compact entitlement and water use within the states, which could have a negative economic

impact on Colorado, on northern Front Range water users, and to the agricultural community. Not having a representative at meetings will reduce the effectiveness in protecting Colorado's water interests and reduce Colorado's leadership role. Continuation of this course may ultimately result in a loss of water to Colorado and expensive interstate litigation.

3. Stream and Lake Protection Section:

In performing the biologic and hydrologic analyses of proposed instream flow segments and physically monitoring of existing instream flow water rights in the field, reliable transportation is required. Without transportation, the Stream and Lake Protection section may not be able to carry out their statutorily mandated duties to assess and monitor streamflows.

4. Board Meetings:

The CWCB Board Coordinator requires the use of a large vehicle to transport equipment and herself safely to Board meetings throughout the state year-round. Without the arrival of the Board Coordinator to set up the meeting and operate recording equipment, the CWCB would be unable to obtain the Official Record (i.e., recording) of the CWCB Board meetings.

With requests being submitted for additional FTE, there will be an even greater need for an additional state-leased vehicle. Without a vehicle to transport new and current FTE, employees may not be able to attend critical meetings for negotiations, which would be a detriment to the State of Colorado, nor would they be present at site locations to assist with phases of projects in which technical assistance is necessary. Many of the programs within CWCB are statutorily mandated and must be completed. Without a sufficient number of 4WD vehicles, statutes may be violated, communities would be negatively affected, and employees would be at risk while driving in bad weather and poor conditions.

Calculations for Request:

<b>Summary of Request FY 08-09</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
Total Request	\$96,848	\$0	\$0	\$96,848	\$0	1.5
PA 1 Personal Services (Salary, PERA, FICA, AED, SAED)	\$0	\$0	\$0	\$0	\$0	0.5
PA 1 Annual Operating	\$0	\$0	\$0	\$0	\$0	0.0
PA 1 Travel	\$0	\$0	\$0	\$0	\$0	0.0
PSRS III Personal Services (Salary, PERA, FICA, AED, SAED)	\$78,667	\$0	\$0	\$78,667	\$0	1.0
PSRS III Annual Operating	\$4,405	\$0	\$0	\$4,405	\$0	0.0
PSRS III Travel	\$6,940	\$0	\$0	\$6,940	\$0	0.0
Leased Space for PSRS III	\$3,150	\$0	\$0	\$3,150	\$0	
Leased Space (vehicle parking) for 4 months	\$420	\$0	\$0	\$420	\$0	
Vehicle Costs	\$3,266	\$0	\$0	\$3,266	\$0	

<b>Summary of Request FY 09-10</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
Total Request	\$101,110	\$0	\$0	\$101,110	\$0	1.5
PA 1 Personal Services (Salary, PERA, FICA, AED, SAED)	\$0	\$0	\$0	\$0	\$0	0.5
PA 1 Annual Operating	\$0	\$0	\$0	\$0	\$0	0.0
PA 1 Travel	\$0	\$0	\$0	\$0	\$0	0.0
PSRS III Personal Services (Salary, PERA, FICA, AED, SAED)	\$79,012	\$0	\$0	\$79,012	\$0	1.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
PSRS III Annual Operating	\$950	\$0	\$0	\$950	\$0	0.0
PSRS III Travel	\$6,940	\$0	\$0	\$6,940	\$0	0.0
Leased Space for PSRS III	\$3,150	\$0	\$0	\$3,150	\$0	
Leased Space (Parking) for 12 months	\$1,260	\$0	\$0	\$1,260	\$0	
Vehicle Costs	\$9,798	\$0	\$0	\$9,798	\$0	

Assumptions for Calculations:

**1.0 FTE Physical Science Researcher/Scientist III (FY08-09):**

- Personal Services (FY08-09 Salary): \$5,753 x 12 = \$69,036  
10.15% PERA = \$7,007  
FICA (Medicare) 1.45% = \$1,001  
1.6% Amortization Equalization Disbursement = \$1,105  
Supplemental AED = \$518  
Total Personal Services = \$78,667
- Annual Operating for FY08-09: includes supplies (\$500), PC (\$900), Office Suite software (\$330), Office equipment (\$2,225), Telephone base (\$450) = \$4,405
- Travel: 2 out-of-state trips: American Water Works Association Training and other Water Conservation Training (NM or AZ) at a) 5 days/4 nights and b) 4 days/3 nights.  
25 instate trips: to provide technical assistance all over the State  
Of the instate trips, 13 would be single day and 12 would be overnight trips at a) 6 trips at 3 days/2 nights and b) 6 trips at 2 days/1 night

Travel Costs:

\$ 975 - per diem (meals) @ \$25 per day x 30 days (instate) and 9 days (out-of-state) = 39 days  
\$ 2,500 - hotel @ \$100 per night x 18 nights instate and 7 nights out-of-state  
\$ 2,080 - car rental @ \$40 per day x 43 days instate and 9 days out-of-state

\$ 800 - airfare for out-of-state trips @ \$400 x 2 trips  
\$ 585 - mileage for local meetings (not requiring a rental car) @ 10 x .39 per  
mile x 150 miles  
Total: \$ 6,940

- Leased space for 1.0 FTE (Physical Science Researcher/Scientist III):  
The Leased Space amount was calculated by using data obtained from Staubach Group, which is the Real Estate Agency for the State of Colorado. The Staubach Group anticipates the average square foot rate for businesses in downtown Denver to be \$18 per square foot for the 2008-09 fiscal year. The CWCB needs 175 square feet for this new FTE, which is an average sized office or cubicle for the classification level of the new staff member and is similar to the standards of current staff. Therefore, the CWCB is requesting funds in the amount of \$3,150 for 175 square feet of space for the new FTE (175 square feet x \$18 per square foot = \$3,150).
- Leased space for new state vehicle parking:  
In addition, the CWCB will need to lease a parking space for the new state vehicle. The monthly fee for a parking space at the parking garage located at 14<sup>th</sup> and Lincoln is \$105 per month. For FY08-09, the CWCB is requesting \$420 (\$105 per month x 4 months) for a leased space parking place since the vehicle will not be delivered until March. Then, in future years, the cost would be annualized to \$1,260 (\$105 per month x 12 months).
- Vehicle Lease for 4WD:  
State Fleet Management provided the data for costs associated with a new 4WD vehicle. The monthly lease cost for a 4WD SUV (similar to a Chevy Trailblazer or equivalent) for 96 months is \$270.47, which includes a \$14.50 management fee that State Fleet Management charges. For the first year (FY08-09), the CWCB would only pay for four months of lease payments since the vehicle will be delivered in March, which totals \$1,082 (\$270.47 x 4 months). In the second through seventh years (FY09-10 through FY15-16), the CWCB would pay \$3,246

per year ( $\$270.47 \times 12$  months). In the eighth year of the lease (FY16-17), the CWCB would pay \$2,164 ( $\$270.47 \times 8$  months).

The variable mileage rate was calculated by using the CWCB's total miles from fiscal year 2005-2006 for one of its vehicles and then dividing the total miles driven by 12 months, which totals a monthly figure of 2,100 miles per month (25,200 miles/12 months). To calculate the variable rate, State Fleet Management quoted the CWCB a figure of \$0.26 per mile, equating to a variable rate charge of:

- FY08-09: \$2,184 (2,100 x 4 months x \$0.26) and
- FY09-10: \$6,552 (2,100 miles x 12 months x \$0.26).

Annual totals are reached by adding the annual state vehicle lease costs, State Fleet Management fee, and the variable mileage rate together. These totals are:

- FY08-09: \$3,266 (for four months)
- FY09-10 – FY15-16: \$9,798 per year (for twelve months)
- FY16-17: \$8,716 (for eight months)

The chart below shows the vehicle costs in a table format:

Item	Costs: fund a state vehicle
<b>State Vehicle Lease (8-year lease) for 4WD; includes lease + \$14.50 State Fleet Mgmt Fee</b>	FY08-09: $\$270.47 \times 4$ months = \$1,082 FY09-10 – FY15-16: $\$270.47 \times 12$ months = \$3,246 FY16-17: $\$270.47 \times 8$ months = \$2,164
<b>Variable mileage rate (\$0.26/mile)</b>	FY08-09: $\$0.26 \times 2,100$ miles x 4 months = \$2,184 FY09-10 – FY16-17: $\$0.26 \times 2,100$ miles x 12 months = \$6,552
<b>Annual Totals:</b>	<b>FY08-09: \$3,266 (4 months)</b> <b>FY09-10 – FY15-16: \$9,798/yr. (12 months)</b> <b>FY16-17: \$8,716 (8 months)</b>



Impact on Other Government Agencies: Not Applicable

Cost Benefit Analysis:

<b>Cost</b>	<b>Benefit</b>
1.0 FTE, Leased Space, and vehicle Cash Funds Exempt Impact: (\$96,848)	<p><b>FTE</b></p> <p>The CWCB, acting through the Office of Water Conservation &amp; Drought Planning, is statutorily charged with providing technical support to water providers as they prepare plans and strategies to mitigate for drought conditions and adapt to change climate. This FTE will position the State to be better prepared to assist state agencies, local providers, and business sectors around the State in identifying their vulnerabilities to drought, and addressing the social and economic effects of drought. The FTE will also play an integral role in educating water providers and the state citizenry on drought and climate change issues.</p> <p>In 2000, the Statewide Water Supply Initiative estimated statewide municipal and industrial (M&amp;I) water demand to be 1.2 million acre feet (ac-ft). Statewide, the three largest M&amp;I water providers, Denver Water (238K ac-ft), Aurora (123K ac-ft), and Colorado Springs (80K ac-ft) collectively provide approximately 441,000 ac-ft of water annually or 36% of the statewide M&amp;I water demand. Using a conservative annualized cost of water of \$1,000 per acre foot, the value of the water provided by these three entities is approximately \$441 million. Assuming that in a severe drought, similar or worse than the drought experienced by Colorado in 2002, water supplies will be limited and reduced, thereby resulting in drought mitigation plans being activated and prioritizing M&amp;I uses to maximize the efficient and beneficial use of the resource. A consequence of 36% of the State's M&amp;I water demand being impacted by drought planning efforts will result in water supply management strategies that will maximize and optimize the limited or reduced water supply resources. Employing more efficient water use practices and prioritizing the beneficial uses of water to ensure maximum utilization will ensure benefits accruing from water use are better maximized. If one were to assume a conservative increase in value for the water provided by Denver Water, Aurora, and Colorado Springs to be 1% above the estimated annualized cost of water discussed above, then the value of those supplies would</p>

be approximately \$445 million and a resulting benefit of \$4.4 million could be calculated. A 1% increase in the value of these M&I water supplies is very conservative because the benefits extend beyond the influence of these three large water providers planning and implementing drought mitigation plans.

### **Leased Space and Vehicle**

With the approval of this request, the CWCB would have enough space to accommodate the FTE increase so that the individual can perform necessary duties. The leased space for a parking space would provide a safe location for a state-leased vehicle and the additional vehicle would allow the CWCB current and new staff to complete statutorily required and federally mandated duties. In completing assignments, the staff assists in completing the mission of the CWCB for the present and future of the State of Colorado.

Having an additional state-leased vehicle provides benefits to the CWCB. From a cost perspective, it is more cost-effective to have a state-leased vehicle. Renting from the State Awarded Rental Car Vendor (Avis) at \$63 per day (for a 4WD) x 20 days/month x 12 months equals \$15,120. The benefits for new staff using a state leased vehicle are that:

- the full-year annual cost for the leased vehicle, including gas and maintenance costs paid through the variable mileage rate, is \$9,798;
- during the term of the vehicle lease, the CWCB would see an overall savings of \$40,392 (\$15,120 Avis rental x 8 years = \$120,960 - \$80,568 cost of state leased vehicle = \$40,392);
- the CWCB does not have to submit a decision item request for additional funding to pay for vehicles rented from a State Awarded Rental Car Vendor; and
- having a state leased vehicle will help to guarantee an available vehicle for staff.

In addition, further benefits are that:

- a vehicle will be available when needed and staff members would not waste time in scheduling and picking up rental vehicles. Staff members have noted that the State Motor Pool and some rental agencies do not have 4WD SUVs available upon request.
- by fulfilling this request for a new state leased vehicle, the CWCB benefits by not needing to request additional funds to pay for the increase in costs from renting

	vehicles, which is approximately \$15,120 per year.
0.5 FTE Cash Funds Exempt Impact (\$0)	<p>The State of Colorado, acting through the CWCB, is responsible for allocating \$3,000,000 in grants and the implementation of HB 04-1365, HB 04-1254 and SB07-008. Water conservation plans and their implementation results in water savings that can be used and managed by a water provider to supplement their water resource portfolio especially if that savings is being planned for meeting new growth demands. The addition of 0.5 FTE to an existing 0.5 FTE would help ensure that the best projects are forwarded for funding and that use of funds is consistent with the scope of work and fiscal policy.</p> <p>If one were to assume that:</p> <ul style="list-style-type: none"> <li>• in FY07-08 the grant program would support the development and implementation of 25 up-to-date, approved water conservation plans on file with the State;</li> <li>• on average each plan represents a covered entity that on a retail basis provides 10,000 ac. ft. annually; and</li> <li>• on average, entities have set goals to reduce demand from water conservation plan implementation by approximately 1% annually and ramping up incrementally as conservation measure programs come online,</li> </ul> <p>then the potential water savings from these plans would be approximately 2,500 ac-ft of water. This saved water could be used by water providers to supply new growth demands or to store for system reliability in times of water shortages. Relying on this saved water to meet future demands could potentially postpone, reduce, or eliminate the need to acquire new water supplies. Using an estimated capitalized water value of \$12,000-\$15,000 per acre foot, results in a benefit range from \$30 million to \$37.5 million.</p>

Implementation Schedule:

For 1.0 FTE PSRS III Position

<b>Task</b>	<b>Month/Calendar Year</b>
Write Position Description Questionnaires and complete related Human Resource transactions	May 2008
Advertise for Position	Late May 2008

HR Candidate Review, CWCB Interview and Hire new positions	June 2008
New Employee Begins	July 2008

For 0.5 FTE PA I Position

<b>Task</b>	<b>Month/Calendar Year</b>
Amend Position Description Questionnaires to Reflect FTE Status	May 2008
Position Status Changes to 1.0 FTE	July 2008

For Leased Space

<b>Task</b>	<b>Month/Calendar Year</b>
Contact Staubach Group about vacant leased space	May 2008
Negotiate with building owners about price and start contract with building owners	June 2008
Complete contract with all approvals and move into new space	July 2008

For Vehicle Lease for a 4WD

<b>Task</b>	<b>Month/Calendar Year</b>
State Fleet posts an RFP on Bids	September 2008
State awards Bid to vendor	October 2008
Order forms for new vehicles are sent to agencies	November 2008
4WD vehicle is delivered to the agency	March 2009

Statutory and Federal Authority:

37-60-102 C.R.S. (2007): This statute describes the creation of the Colorado Water Conservation Board. “For the purpose of aiding in the protection and development of the waters of the state, for the benefit of the present and future inhabitants of the state there is created a Colorado water conservation board with the powers and duties set out in this article. Said board is declared to be an agency of the state, and the functions it is to perform, as set out in this article, are declared to be governmental functions for the welfare and benefit of the state and its inhabitants.”

37-60-112 C.R.S. (2007): This statute outlines the authorization of the Colorado Water Conservation to pay for all expenses. “The controller is authorized to draw warrants monthly in payment of the lawful salaries and expenses of the board or commissioners and their legal, engineering, and other assistants and employees on vouchers signed by the secretary of the board and approved by the governor.”

37-60-124 C.R.S. (2007): Creation of the Office of Water Conservation and Drought Planning. The statute outlines the specific duties of the Office.

37-60-126 C.R.S. (2007): Guidelines of the Office of Water Conservation and Drought Planning, including certain requirements for covered entities related to water conservation planning. Finally, this statute creates the Water Efficiency Grant Program.

37-60-126.5 C.R.S. (2007): “The office shall develop programs to provide technical assistance to covered entities and other state or local governmental entities in the development of drought mitigation plans.”

Performance Measures:

Performance Measure DNR #4 (Create reductions in water supply demand through water conservation planning and water efficiency measures): Water use will be reduced by 1% (2,500 acre feet) with the new FTE and, without the new FTE, water use will only be reduced by .85% (2,125 acre feet). Stated differently, we believe that this decision item will help the CWCB to better manage its water conservation program, resulting in an additional 375 acre feet of water being conserved annually.

Performance Measure DNR #4 (Create reductions in water supply demand through water conservation planning and water efficiency measures) and DNR #6 (Increase water storage to meet long term water supply needs): The addition of a state leased vehicle and leased space for new FTE will allow CWCB employees to perform job functions and the new FTE will have office space to complete duties that will support the performance measures listed above. Although a state leased vehicle and additional leased space lend toward overall support in accomplishing goals and performance measures, there is not an exact method to relate this decision item directly to the DNR Performance Measures.